

Message Text

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S E C R E T SECTION 1 OF 2 TOKYO 1637

FOR S/P - MICHAEL ARMACOST

E.O. 11652 GDS

TAGS: PFOR, JA, US

TAGS: US-JAPAN PLANNING TALKS PAPER

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1. THE FOLLOWING IS GOJ PAPER ON NORTH-SOUTH RELATIONS. THIS PAPER REPRESENTS THE PERSONAL VIEW OF A MEMBER OF THE RESEARCH AND PLANNING DEPARTMENT AND HAS NOT BEEN OFFICIALLY CLEARED WITHIN THE MINISTRY.

2. BEGIN TEXT:

I. MID AND LONG TERM OUTLOOK

1. THE WORLD ECONOMY WILL ON THE WHOLE CONTINUE TO GROW IN THE COMING 5 TO 10 YEARS, ALTHOUGH IT MAY BE DIFFICULT TO MAINTAIN AS HIGH A RATE OF GROWTH HAS HAD PREVAILED UNTIL SEVERAL YEARS AGO. CONSEQUENTLY, THE COUNTRIES OF THE SOUTH WILL BENEFIT TO SOME EXTENT FROM SUCH DEVELOPMENT OF THE WORLD ECONOMY THROUGH THE GROWTH OF TRADE AND THE INCREASE OF INVESTMENT AND AID. THERE IS, HOWEVER, LIMIT TO

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THE GROWTH RATE OF THE ECONOMY OF THE DEVELOPING

COUNTRIES AS A WHOLE. THIS WILL BE COMPOUNDED BY THE GROWTH OF POPULATION IN THESE COUNTRIES. THE ECONOMIC DISPARITY BETWEEN THE NORTH AND THE SOUTH WILL CONTINUE TO GROW AND THE BASIC CONFLICT OF INTERESTS BETWEEN THE TWO WILL REMAIN.

WHILE THE DEVELOPING COUNTRIES WILL STRENGTHEN MUTUAL COOPERATION TO PROMOTE SELF-RELIANCE AND WILL CONTINUE TO EXERT DEPENDENCE UPON THE NORTH WILL ALLOW THE LATTER TO HAVE MORE LEVERAGE TO BEAR ON THE FORMER. THUS, THE NORTH-SOUTH RELATIONS WILL BECOME MORE COMPLEX; WHILE MORE FRICTIONS WILL ARISE ON THE ONE HAND, THE AREA OF NORTH-SOUTH COOPERATION WILL EXPAND ON THE OTHER.

2. IN THE GLOBAL CONTEXT OF POWER-BALANCE BETWEEN THE GREAT POWERS OF THE EAST AND WEST, THE VOICE OF THE DEVELOPING COUNTRIES WILL GROW STRONGER. ESPECIALLY, AS A FORUM FOR STRENGTHENING THE UNITY OF DEVELOPING COUNTRIES, THE CONFERENCE OF THE NON-ALIGNED COUNTRIES IS LIKELY TO ASSUME GREATER IMPORTANCE IN WORLD POLITICS.

3. AS DIFFERENTIATION INTO THE FOLLOWING THREE GROUPS MAY DEVELOP WITHIN THE SOUTH:

(1) COUNTRIES WHOSE ECONOMIES WILL DEVELOP TO THE STAGE OF THE "MIDDLE-DEVELOPED", I.E., SOME OF THE OIL-PRODUCERS AND THOSE WHICH HAVE PASSED OR REACHED THE TAKE-OFF STAGE, SUCH AS MEXICO, VENEZUELA, BRAZIL, IRAN, REPUBLIC OF KOREA AND SINGAPORE;

(2) COUNTRIES WHOSE ECONOMY WILL NOT DEVELOP AS MUCH AS THE ABOVE (1) GROUP BUT WHICH WILL CARRY A CONSIDERABLE WEIGHT IN INTERNATIONAL POLITICS, DUE TO SUCH FACTORS AS HUMAN AND NATURAL RESOURCES. THESE COUNTRIES INCLUDE INDONESIA, INDIA, SAUDI ARABIA, EGYPT, ALGERIA, NIGERIA, YUGOSLAVIA AND

(3) THE OTHERS.

4. (1) POLICIES AND ACTIONS OF THE DEVELOPED COUNTRIES TOWARD THE SOUTH WILL BECOME MORE DIVERSIFIED. NEVERTHELESS, THE SOLIDARITY OF THE
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NORTH WILL BE BASICALLY MAINTAINED AND STRENGTHENED, DESPITE INCIDENTS OF FRICTION OR CONFLICT OF INTERESTS WHICH MIGHT ARISE WITHIN THE NORTH.

(2) IN CONTRAST TO THE NORTH, THE DEGREE OF UNITY AMONG THE DEVELOPING COUNTRIES WILL VARY ACCORDING TO ISSUES INVOLVED.

(A) ON PURELY POLITICAL ISSUES, IT WOULD BE DIFFICULT FOR THE SOUTH AS A WHOLE TO TAKE A UNITED

STAND, ALTHOUGH THE SITUATION WILL CONTINUE TO BE UNFAVORABLE TO THE WEST IN THE INTERNATIONAL ARENA, INTER ALIA THE U.N.

(B) ON ECONOMIC ISSUES INVOLVING BASIC PRINCIPLES, SUCH AS THE "NEW INTERNATIONAL ECONOMIC ORDER" OR "THE CHARTER OF ECONOMIC ORDER" OR "THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES", SOLIDARIETY WILL BE MAINTAINED AMONG THE DEVELOPING COUNTRIES.

(C) ON CONCRETE AND SPECIFIC ECONOMIC PROBLEMS WHICH HAVE DIRECT BEARING ON THE INTERESTS OF INDIVIDUAL COUNTRIES, DIFFERENCES OF POSITION WILL EMERGE WITHIN THE SOUTH, SUCH AS BETWEEN THE OIL PRODUCERS AND THE NON-OIL PRODUCING DEVELOPING COUNTRIES, OR THE RESOURCES-RICH AND THE RESOURCES-POOR, OR THE MIDDLE-DEVELOPED AND THE POORER DEVELOPING COUNTRIES. THE OIL-PRODUCING COUNTRIES, IN ORDER TO MAINTAIN THE SOLIDARITY OF THE SOUTH, WILL PRESS THE NORTH FOR A PACKAGE-DEAL SOLUTION IN THE CIEC.

(3) THE COMMISSIONS OF THE CIEC WILL PLAY FOR THE TIME BEING A CENTRAL PART IN THE NORTH-SOUTH DIALOGUE. THE UNCTAD AND OTHER INTERNATIONAL FORUMS WILL ALSO PLAY A PART IN THIS DIALOGUE. ALL IN ALL, THE DIALOGUE WILL BE CONTINUED, THOUGH WITH SOME POSSIBLE TURNS AND TWISTS, AND TOTAL CONFRONTATION WILL BE AVOIDED.

(4) CONSIDERING THE FOREGOING, THE OVERALL RELATIONSHIPS BETWEEN THE NORTH AND THE SOUTH WILL WITNESS A CERTAIN DEGREE OF IMPROVEMENT.

5. MAJOR ISSUES BETWEEN THE NORTH AND THE SOUTH

(1) OIL AND ENERGY: WHILE THE ENERGY DEMAND WILL
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GROW AS THE WORLD ECONOMY EXPANDS, NOT GREAT PROGRESS CAN BE EXPECTED WITHIN THE NEXT 5 TO 6 YEARS IN THE DEVELOPMENT OF ALTERNATIVE ENERGY SOURCES OR NEW SOURCES OF OIL.

THE ABOVE NOTWITHSTANDING, THE POWER OF THE OPEC COUNTRIES WILL SOMEWHAT DECREASE, DUE TO THEIR INCREASING STAKE IN THE DEVELOPMENT OF THEIR OWN RESPECTIVE ECONOMY AND THE CONFLICT OF INTERESTS AMONG THEMSELVES.

(2) PRODUCER'S CARTEL: MOVES TOWARD ORGANIZING CARTELS FOR VARIOUS ITEMS OF RAW MATERIALS WILL CONTINUE. HOWEVER, NONE OF THEM IS EXPECTED TO HAVE SUCH MAGNITUDE OF IMPACT UPON THE NORTH AS THE OPEC WITH OIL.

(3) NATURAL RESOURCES: AS CLAIMS ARE MADE FOR PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES,

INCIDENTS WILL INCREASE TO A CERTAIN DEGREE SUCH
AS NATIONALIZATION, CONTROL OF FOREIGN INVESTMENT
UNILATERAL EXTENSION OF TERRITORIAL WATERS OR
ECONOMIC ZONES. ON THE OTHER HAND, THE DEPENDENCE
OF THE DEVELOPING COUNTRIES ON CAPITAL AND
TECHNOLOGY OF THE DEVELOPED COUNTRIES WILL NOT
CHANGE ON THE WHOLE AND DEVELOPMENT PROJECTS

PARTICIPATED BY DEVELOPED OR OIL-PRODUCING
COUNTRIES IN BOTH BILATERAL AND MULTILATERAL
SCHEMES WILL INCREASE.

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(4) PRIMARY COMMODITIES: CONCLUSION OF NEW
AGREEMENTS ON SOME COMMODITIES CAN BE ENVISAGED.

(5) FINANCIAL MATTERS AND AID: ALTHOUGH
THE WORLD ECONOMY AS A WHOLE WILL CONTINUE ON THE
PATH OF RECOVERY, THERE ARE POSSIBILITIES THAT
ECONOMIC OR BALANCE-OF-PAYMENTS SITUATION OF SOME
POORER DEVELOPING COUNTRIES WILL WORSEN CONSIDERABLY,
AND INTERNATIONAL EMERGENCY MEASURES WILL THEREBY
BE NEEDED.

(6) NEW ECONOMIC ORDER: DEVELOPMENTS SUCH AS
THE IMPROVEMENT AND EXTENSION OF GSP, IMPROVEMENTS
IN THE SCHEMES TO STABILIZE EXPORT EARNINGS,

AND NEW COMMODITY AGREEMENTS ARE FORESEEABLE.
HOWEVER, THE OPEN ECONOMIC SYSTEM BASED ON THE
FREE-MARKET PRINCIPLE WILL BE GENERALLY MAINTAINED.

6. WITH GROWTH OF NATIONAL CAPABILITIES OF
DEVELOPING COUNTRIES, PARTICULARLY OF THE
"THRESHOLD COUNTRIES", LOCAL CONFLICTS WOULD
INCREASE. AS THE POWER OF THE MAJOR COUNTRIES OF
BOTH THE EAST AND WEST WILL BE LIMITED IN
CONTROLLING SUCH CONFLICTS, AND AS
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THE EAST-WEST RIVALRY FOR TIES WITH THE DEVELOPING
COUNTRIES WILL PROBABLY BECOME MORE ACUTE, THERE IS
DANGER OF THESE LOCAL CONFLICTS TO BE INTENSIFIED.

IN COMPETING FOR STRONGER TIES WITH DEVELOPING
COUNTRIES THE WEST WILL MAINTAIN THEIR LEAD ON THE
EAST IN THE FIELD OF ECONOMICS. BUT THE EAST WILL
INCREASE DISTURBING MOVES IN POLITICAL OR MILITARY
FIELDS.

7. THE OVERALL MUTUAL RELATIONSHIP AMONG THE
"MIDDLE-DEVELOPED" OF THE SOUTH WILL PROBABLY BE
STRENGTHENED.

II POLICY ORIENTATION FOR JAPAN

1. BASIC CONSIDERATIONS

IN FORMULATING POLICIES REGARDING THE NORTH-SOUTH
RELATIONS, JAPAN SHOULD TAKE THE FOLLOWING FACTORS INTO
CONSIDERATION:

- (1) THAT IT IS A MEMBER OF THE DEVELOPED COUNTRIES
AND ADHERES TO THE PRINCIPLES OF WESTERN DEMOCRACY AND
FREE ECONOMY;
- (2) THAT IT IS A MEMBER OF ASIA AS WELL, WITH ITS
NEIGHBORS BEING EITHER DEVELOPING OR SOCIALIST COUNTRIES;
- (3) THAT IT HAS A HISTORY OF MODERNIZING ITSELF
LATER THAN OCCIDENTAL COUNTRIES;
- (4) THAT ITS ECONOMY, ESPECIALLY THE SUPPLY OF
RESOURCES, DEPENDS TO A CONSIDERABLE EXTENT ON OVERSEAS
MARKETS: ITS TIES WITH THE DEVELOPING COUNTRIES
ARE ONE OF THE CLOSEST AMONG THE DEVELOPED COUNTRIES;
COOPERATION AND INTERCHANGE WITH THE DEVELOPING
COUNTRIES ARE INDISPENSABLE TO ITS OWN ECONOMIC DEVELOP-
MENT;
- (5) THAT AN OPEN INTERNATIONAL ECONOMIC SYSTEM
IS INDISPENSABLE FOR ITS ECONOMY;
- (6) THAT IT MAINTAINS WITH THE UNITED STATES

THE SECURITY AND COOPERATION ARRANGEMENTS AS WELL AS
SUBSTANTIAL ECONOMIC INTERCHANGE;

(7) THAT IT CARRIES A CONSIDERABLE WEIGHT IN
THE WORLD ECONOMY; AND
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(8) THAT IT LACKS, IN CONTRAST TO THE U.S. THE
U.K. AND FRANCE, POLITICAL LEVERAGE TO BEAR ON THE
DEVELOPING COUNTRIES, DUE TO SUCH FACTORS AS:

(1) RESTRICTIONS ON THE USE OF MILITARY
MEANS (INCLUDING MILITARY ASSISTANCE) FOR
DIPLOMATIC PURPOSES,

(B) LACK OF HISTORICAL TIES WITH DEVELOPING
COUNTRIES ORIGINATING IN THE COLONIAL ERA, AND

(C) THAT IT IS NOT A MAJOR EXPORTER OF GRAINS
LIKE THE U.S.
PARADOXICALLY, HOWEVER, THE FACTORS (A) AND (B)
ABOVE WILL IN CERTAIN CASES WORK IN JAPAN'S FAVOR.

2. POLICY DIRECTIONS TO BE PURSUED BY JAPAN
TAKING THE FOREGOING FACTORS INTO CONSIDERATION
AND ON THE THE ASSUMPTION OF THE OUTLOOK GIVEN EARLIER,
THE POLICY DIRECTIONS TO BE PURSUED BY JAPAN WILL BE
AS FOLLOWS:

(1) TO DEVELOP STABLE, COOPERATIVE RELATIONS WITH
THE DEVELOPING COUNTRIES;

(2) TO MAINTAIN AND STRENGTHEN COOPERATION
AND SOLIDARITY WITH THE DEVELOPED COUNTRIES OF THE
WEST, PARTICULARLY MAJOR COUNTRIES SUCH AS THE U.S. THE
FRG, THE U.K. AND FRANCE.

(3) TO ACHIEVE A SUSTAINED GROWTH OF THE WORLD
ECONOMY AS A WHOLE AND IN SO DOING INCREASE THE
SHARE OF DEVELOPING COUNTRIES IN THE PROCESS;

(4) TO ADHERE AS A MATTER OF PRINCIPLE TO THE
OPEN INTERNATIONAL ECONOMIC SYSTEM BASED ON MARKET
MECHANISM, BUT AT THE SAME TIME TO COMPLEMENT ITS
SYSTEM WITH VARIOUS SCHEMES NECESSARY FOR STABLE
ECONOMIC GROWTH OF THE COUNTRIES OF THE SOUTH;

(5) TO SEEK CAREFULLY A REASONABLE BALANCE BETWEEN
THE NEED ON THE ONE HAND FOR NOT ANTAGONIZING THE DE-
VELOPING COUNTRIES AND ON THE OTHER, THE NEED FOR CO-
OPERATING WITH THE WESTERN COUNTRIES, IN VIEW OF ITS
POSITION OF NOT BEING RESOURCE-RICH LIKE THE U.S.
AND OF NOT HAVING TIES WITH FORMER COLONIES LIKE
THE WESTERN EUROPEAN COUNTRIES;

(6) TO CONTRIBUTE TO THE PREVENTION OF
COMMUNIST TAKE-OVER IN THE DEVELOPING COUNTRIES, AND
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TO THEIR INTERNAL POLITICAL STABILITY;

(7) TO PROMOTE COOPERATION AND AID IN VARIOUS FORMS IN ORDER TO ASSIST IN THE DEVELOPMENT OF THE COUNTRIES OF THE SOUTH. IN SO DOING IT SHOULD UPHOLD THE PRINCIPLE OF CONTRIBUTING IN GENERAL, ADHERE TO A GLOBALIST APPROACH AND CHECK AND TREND TOWARD CREATION OF EXCLUSIVE BLOCS.

AT THE SAME TIME, TO TAKE A SELECTIVE ATTITUDE BY WEIGHING THE IMPORTANCE TO JAPAN OF EACH DEVELOPING COUNTRY. ESPECIALLY, TO STRENGTHEN TIES WITH THE "MIDDLE-DEVELOPED" COUNTRIES AND WITH THOSE CARRYING CONSIDERABLE WEIGHT IN INTERNATIONAL POLITICS (PARTICULARLY THOSE ACTING AS LEADERS OF THE DEVELOPING COUNTRIES) AND TO BRING THEM INTO AN INCREASINGLY INTERDEPENDENT RELATIONS WITH THE DEVELOPED WORLD, THEREBY MODERATING THE OFFENSIVES OF THE SOUTH. FURTHERMORE, TO STRENGTHEN TIES WITH COUNTRIES IN EAST ASIA WHICH HAVE PARTICULAR IMPORTANCE TO JAPAN;

(8) TO COORDINATE VARIOUS MEASURES ON TRADE, AID AND OTHER RELATED MATTERS IN ORDER TO MAXIMIZE THEIR OVERALL EFFECTIVENESS IN VIEW OF THE LIMITED DOMESTIC RESOURCES AVAILABLE; AND

(9) TO AVOID THE DETERIORATION OF THE INTERNATIONAL ECONOMIC ENVIRONMENT, WHICH WOULD RESULT FROM CONFRONTATION BETWEEN THE NORTH AND THE SOUTH, BY STRIVING TO MAINTAIN THE EXISTING DIALOGUE IN VARIOUS INTERNATIONAL FORUMS, WHILE KEEPING CLOSE COOPERATION WITH OTHER DEVELOPED COUNTRIES.
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